

**PX 199**

## Message

**From:** Ron Will [REDACTED]@ripple.com]  
 on behalf of Ron Will <[REDACTED]@ripple.com> [REDACTED]@ripple.com]  
**Sent:** 8/21/2020 9:55:45 AM  
**To:** [REDACTED]@ripple.com]; Monica Long [REDACTED]@ripple.com]  
**CC:** [REDACTED]@ripple.com]  
**Subject:** XRP Supply

Over the past year, as we have come to better understand the impact of supply/demand on the XRP market, we've had several presentations to Brad about XRP supply.

We still don't understand all the complexities related to supply introduction to the XRP market, but we do have much better data as we've built tools and reporting that allows us to more quickly pull together data on the hundreds of wallets we monitor, as well as our own distributions of XRP.

I've attached the presentations here as well as our weekly reporting that we can get you both on the distribution for next week - and [REDACTED] is updating and revising the presentation so we can do it monthly so stay tuned on that.

A few things to consider when discussing XRP supply/inflation:

- Is it incremental XRP supply leaving Ripple or supply leaving non-Ripple sources like Chris, Jed, [REDACTED] and other large holders
- Is it supply moving from Ripple to non-Ripple sources - or is it actually being sold into the market? Those numbers could be different because there can be a timing delay - for example Ripple moves XRP to [REDACTED] or [REDACTED] but they can't sell it immediately because of a sales restriction based on daily trading volume. To project the rate at which the supply enters the market requires a projection on average daily trading volume of XRP. The recent runup in XRP trading volume increases the rate at which some of that supply can enter the market.
- Is all supply entering the market equal? If we loan XRP to a market maker, and they sell the XRP for \$, we'd agree that is the same as if someone else sold it - but what if we loan XRP to a market maker, and they post that XRP as collateral for \$ or BTC?
- Is the supply based on \$ (XRPO or a \$ denominated arrangement) - or a set # of XRP? As the price of XRP fluctuates, that will change the rate of supply introduction to the market.
- Is it supply that we (Ripple) excluded at some point in history from our reported XRP holdings (we did this with [REDACTED] and a portion of the Coil XRP since we knew we'd be paying this out)

Separately, there is a constant discussion of what matters? Is it when XRP leaves Ripple (ie the decline in our ownership stake - incorrectly called "inflation"?) - or when XRP is sold to the market and increases the actual float/freely traded XRP available in the market - or a combination of both?

Alot to cover - happy to spend whatever time necessary.

Best,  
Ron

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Ron Will  
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# XRP Supply - deeper dive

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April 20, 2020



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# Agenda

- 1 Ripple XRP Introduction
- 2 Other Supply Introduction
- 3 Key Deal Review



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## Ripple Supply Introduction (in mm XRP, through 4/12)

This breaks out all Ripple XRP distributions impacting circulating supply (omits fulfillment of certain commitments).

Prospective XRP Reporting will be on a basis consistent with these groupings, but adding AMP.

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Total	
<b>Sales</b>								
Coil Development Fund								
Forte Incentive								
Development Fund								
Investment								
<b>Xpring and BD total</b>								
Loan								Primarily liquidity support
MGI								Incentives, milestone payments and and FX rebates
ODL								Liquidity, exchanges, vol and FX incentives
<b>ODL total</b>								
Employee								Routine payroll, bonuses and Q2 exec comp
Founder								Ripplecharts domain loan settlement
Other								Ripplenet customer, product testing, vendors
Donations								
<b>Other total</b>								
<b>Total</b>								

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## Other Supply Introduction (in mm XRP, through 4/12)

All amounts distributed to holders or treated as already distributed due to firm commitment by beginning of 2019.

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Total
Coil scheduled payments							
[REDACTED]							
[REDACTED]							
Other Options							
Rippleworks							
<b>Total</b>							



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## Key Deal Review

### Identified key deals with material continued obligations or opportunities

- [REDACTED]
- Coil
- [REDACTED]
- [REDACTED]
- [REDACTED]



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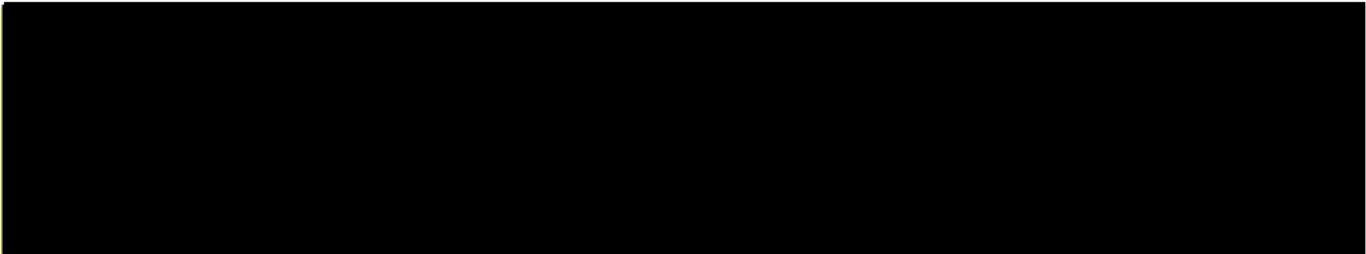
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Gross Amount	XRP	
Gross paid to date	XRP	
Remaining Amount	XRP	



Contract has no at will cancellation provisions.



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## Development Fund

Commitment to fund development on platform

Total Amount	
Total USD paid to date	
Remaining Amount	
Allocated Portion of Remaining Amount	
Total XRP to date:	
Remaining Amount (at current price):	

Sales Limit (in bps)*	Greater of [redacted] or [redacted]
Floor Price**	\$ [redacted]
Approvals***	Projects over \$5mm
Allocation period	Up to May 2021
Distribution Period	Up to May 2023

\*Opportunity to improve monitoring

\*\*Delay of up to 90 days until price recovery, otherwise ignore floor or pay in USD

\*\*\*Projects have been consistently under this threshold

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## ██████████ - Milestones

Funding based on key milestones for overall ecosystem development

Milestone	Amount	Forfeiture Date
Approve Dev Program	██████████	Paid
Wallet Launch	██████████	Pending payment
Company Marketplace	██████████	5/8/2020
First Game	██████████	11/8/2020
Remaining Commitment	██████████	
Remaining commit (at current price)	██████████	At floor

Sales Limit*	Greater of ████████ ps or ████████	XRP Charts
Floor Price**	\$0 ████████	Soft floor

\*Opportunity to improve monitoring, measured in combination with Volume Incentives

\*\*Delay of up to 90 days until price recovery, otherwise ignore floor or pay in USD



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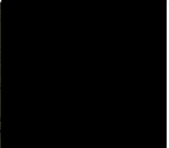

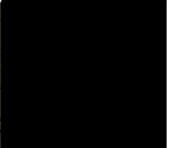

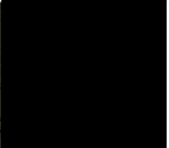

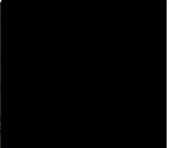


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## - Volume Incentives

Incentives for hitting various target of XRP transacted on Forte platform - Targets can be met anytime before May 2023.

No payments made to date.

ADV XRP Target (units transacted over platform, 90 day average)		Payment
XRP		XRP 
XRP		XRP 
XRP		XRP 
XRP		XRP 
Remaining Amount		XRP 



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Coil

For both scheduled payments and set-aside, contract doesn't allow for termination at Ripple's option, with no contract termination date.

Scheduled Payments		
Gross Amount	XRP	
Paid to date	XRP	
Remaining Amount	XRP	
Set-Aside		
Gross Amount	XRP	
Paid to date	XRP	
Remaining Amount	XRP	

## Coil - Set-Aside T&Cs

We have ample contractual mechanisms to possibly prevent substantial distributions from Set-Aside, through using direct distribution and taxable income exclusion. Opportunity for improvement in monitoring Sales Limits and enforcing Approval rights.

Type	Set-Aside Terms and Conditions		Other Rights	Sales Limit
	Approval	Distribution		
Large Project (>\$25m)	Subject to Ripple's approval	Ripple or Coil at	Can reject any transaction	██████s, combined
Medium Project (>7.6m XRP)	Subject to standard T&Cs	Ripple's discretion	giving rise to taxable	Large and Medium
Small Project (<7.6m)	None	Coil	income to Ripple	██████ week

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## Purchase Discount

As of November 2019, discount of [REDACTED] on purchases, at amount of discount remaining from original agreement

Purchase Discount	
Original Discount Value	\$ <span style="background-color: black; color: black;">[REDACTED]</span>
Discount Value at Amendment	\$ <span style="background-color: black; color: black;">[REDACTED]</span>
Remaining Discount Value	\$ <span style="background-color: black; color: black;">[REDACTED]</span>
Remaining Discount Amount (at \$0.19)	XRP <span style="background-color: black; color: black;">[REDACTED]</span>

Contract Terms	
Sales Limit	<span style="background-color: black; color: black;">[REDACTED]</span> ps CCTT
Floor Price	None
Quarterly Minimum Gross	\$ <span style="background-color: black; color: black;">[REDACTED]</span>
Quarterly Maximum Gross	\$ <span style="background-color: black; color: black;">[REDACTED]</span>
Purchase Period	Up to November 2021



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**[REDACTED] Option**

Option for [REDACTED] XRP purchased in full as of August 2019, with supply expected to last until November 2020.

Remaining Amount	
Original Option Amount	XRP [REDACTED]
Remaining Amount	XRP [REDACTED]
Average Weekly Sales (last 10 weeks)	XRP [REDACTED]
Estimated Sales Completion	November 2020

Proceeds	
Proceeds Cap	[REDACTED]
Proceeds to Date	[REDACTED]
Remainder to Cap	[REDACTED]
Total Projected Proceeds (at \$0.19)	[REDACTED]
Price to Hit Cap	[REDACTED]



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# XRP Supply

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March 28, 2020



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# Agenda

- 1 Data Groupings
- 2 Supply Introduction Overview
- 3 XRP Holdings
- 4 Supply Introduction Outlook
- 5 Non-Ripple Holdings
- 6 Commitments

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## Data groupings

Purpose is to provide a full view of actions impacting XRP supply by analyzing balances and activity in three areas: Ripple, other major holders (“deferred supply”) and Ripple commitments

### **Ripple**

- Ripple and all subsidiaries as a group

### **Deferred Supply and Deferred Holders**

- Includes major recipients of XRP from Ripple as well as Founders

### **Circulating Supply**

- Balance of XRP not held by Ripple or Deferred Supply population

### **Commitments**

- Material commitments for future distributions
- Commitments denominated in USD based on current price (\$0.18)



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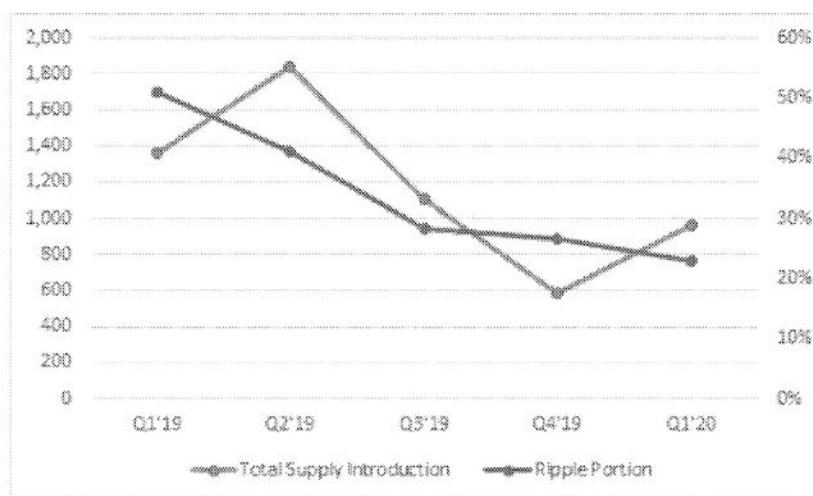
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## Supply Introduction Overview

Overall pace of supply introduction has decreased. Ripple's share of this supply introduction has steadily declined since early 2019.



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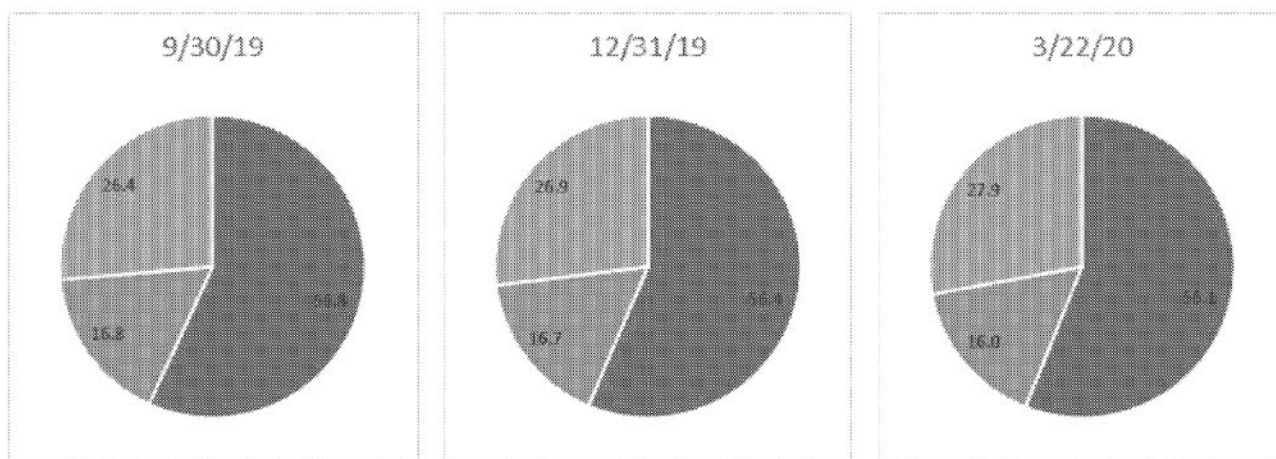
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## XRP Holdings and Changes

While Ripple has distributed 0.7b over the last 6 months, actions of other major holders as a group (“deferred supply”) led to a total of 1.5b or 6% increase in circulating supply over last 6 months.



■ Ripple ■ Deferred Supply ■ Circulating



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## Supply Inflation Rates

Both inflation of circulating supply (XRP not held by Ripple or Deferred Holders) and float (XRP not held by Ripple) have decreased

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20
Float	41,792	42,812	43,167	43,622	43,936
Float (increase per Q)	1.8%	2.4%	0.8%	1.1%	0.7%
Circulating Supply	23,411	25,248	26,356	26,941	27,908
Circulating Supply (increase per Q)	6.2%	7.8%	4.4%	2.2%	3.6%



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## Supply Introduction (in mm)

Supply introduction continues to be dominated by founders and legacy deals (XRP options, Rippleworks, [REDACTED] with Ripple direct distributions responsible for less than 25% of overall supply introduction over last 6 months.

Group	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20**
Non-Ripple	666	1,083	796	429	746
Ripple *	697	754	313	156	221
Total Supply Introduction	1,363	1,837	1,108	585	967
*Excludes amounts sent to Non-Ripple	60	266	43	300	92
** Thru March 22, 2020					
Total Monthly Average	454	612	369	195	322

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## Deferred Supply Introduction Outlook

Expect increased supply due to result of arbitration with Jed (increase sales limit from 11.5 to 35 bps of volume)

Group	Expected Quarterly		Notes
	Sales	Contract Limitation	
Founder/Exec	200	No	Expect substantial increase
Jed	450	Yes	
[REDACTED]	100	Yes	
Other	95	Yes	
Partnership	85	Partial	
Donations	40	No	
<b>Total</b>	<b>970</b>		



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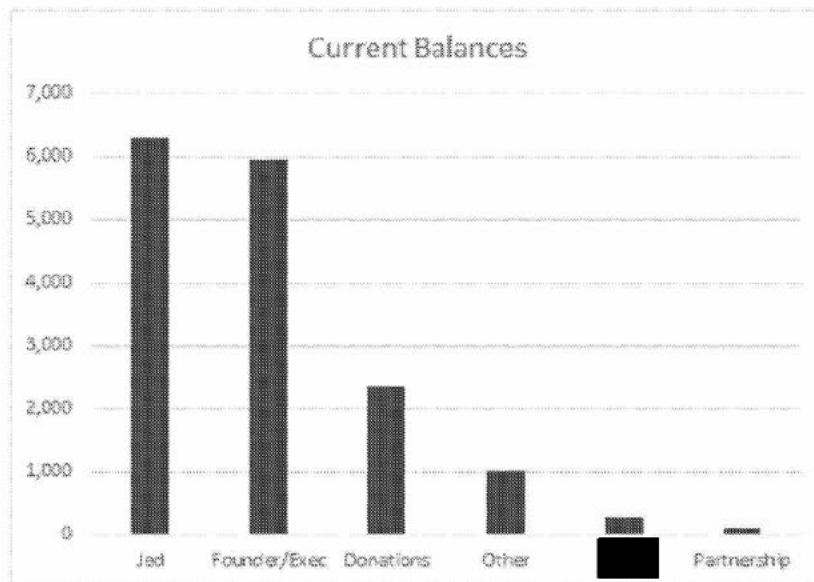
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## Deferred Supply Balances

Large balances continue to be held - and despite low balances for partnerships, substantial commitments to **Coil** and [REDACTED] remain unfunded.



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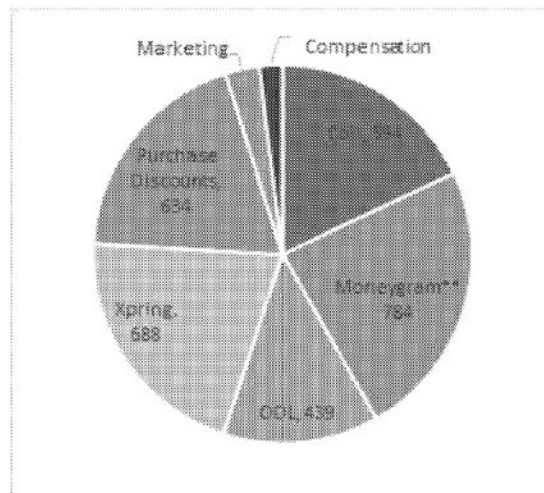
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## Commitments overview (mm)

Current commitments of 3.3bn - increase of 0.8bn due to price decline and inclusion of MGI FX rebates, with 80% of XRP commit denominated in \$ at this time (up from 66% in Q3'19).



\*Commitments are currently in Ripple's current XRP holdings and not considered deferred supply.

\*\* Assumes FX Rebate at 83bps through YE 2021 and \$90m of remaining incentives

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## Commitments contributors

Almost 75% of commitment attributable to top 4 deals.

Counterparty	XRP/USD denominated	Current Commitment	As of 8/22	Change
Moneygram	USD	784	420	364
[REDACTED]	USD	[REDACTED]		
Coil	XRP			
[REDACTED]	USD			

[REDACTED] includes only value of the discount. Moneygram excludes any incentives necessary to provide liquidity.

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## APPENDIX



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## Supply Introduction (in mm)

Decline in Supply introduction largely driven by founders, [REDACTED] volume base change and lower XRP sales.

Group	Q1 - Q3 average	Q4'19	Q1'20	Last 6 Months
Founder/Exec Jed [REDACTED] Other Partnership Donations	[REDACTED]			
Total Deferred Sales				
Ripple Distributions*				
Total Supply Introduction				

\*Excludes amounts sent to Deferred

119

300

92

392

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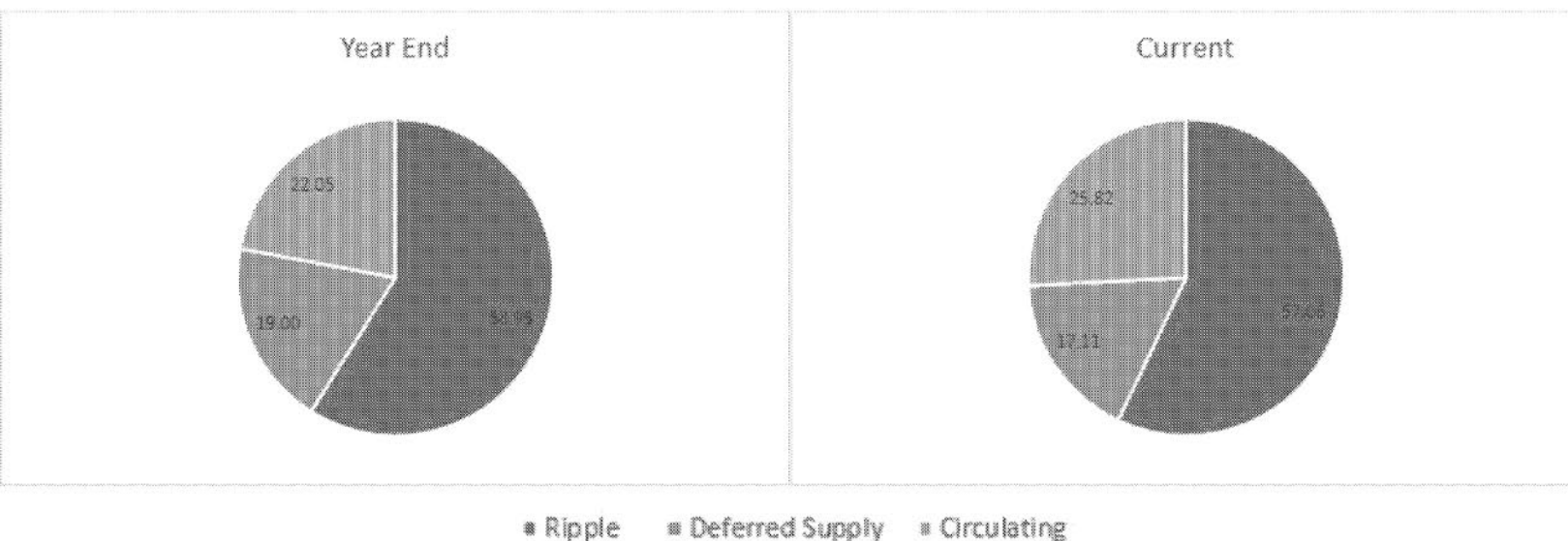
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## XRP Holdings and changes - Recap From August 2019

Balances for Ripple and major holders as a group ("Deferred Supply") declined by 1.9bn XRP each since January 1 2019 to August 2019 - increasing overall float by 3.8bn XRP (17%)



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## Ripple Supply Introduction

<u>QTD</u>	<u>QTD</u>	<u>QTD</u>
Q1-19	Q2-19	Q3'19

Sales

Programmatic

XRP-Q

**Sales total****% growth**

XRP Purchase

**Purchases total****% growth**

Coil Development Fund

Incentive

Development Fund

Investment

**Xpring and BD total****% growth**

MM Lease

MM Fees

MGI - Volume incentive

MGI - Fx rebate

MGI - Bonus

Incentive

Fx rebate

Adoption marketing

ODL Lease

**ODL total****% growth**

Employee

Founder

Other

Donations

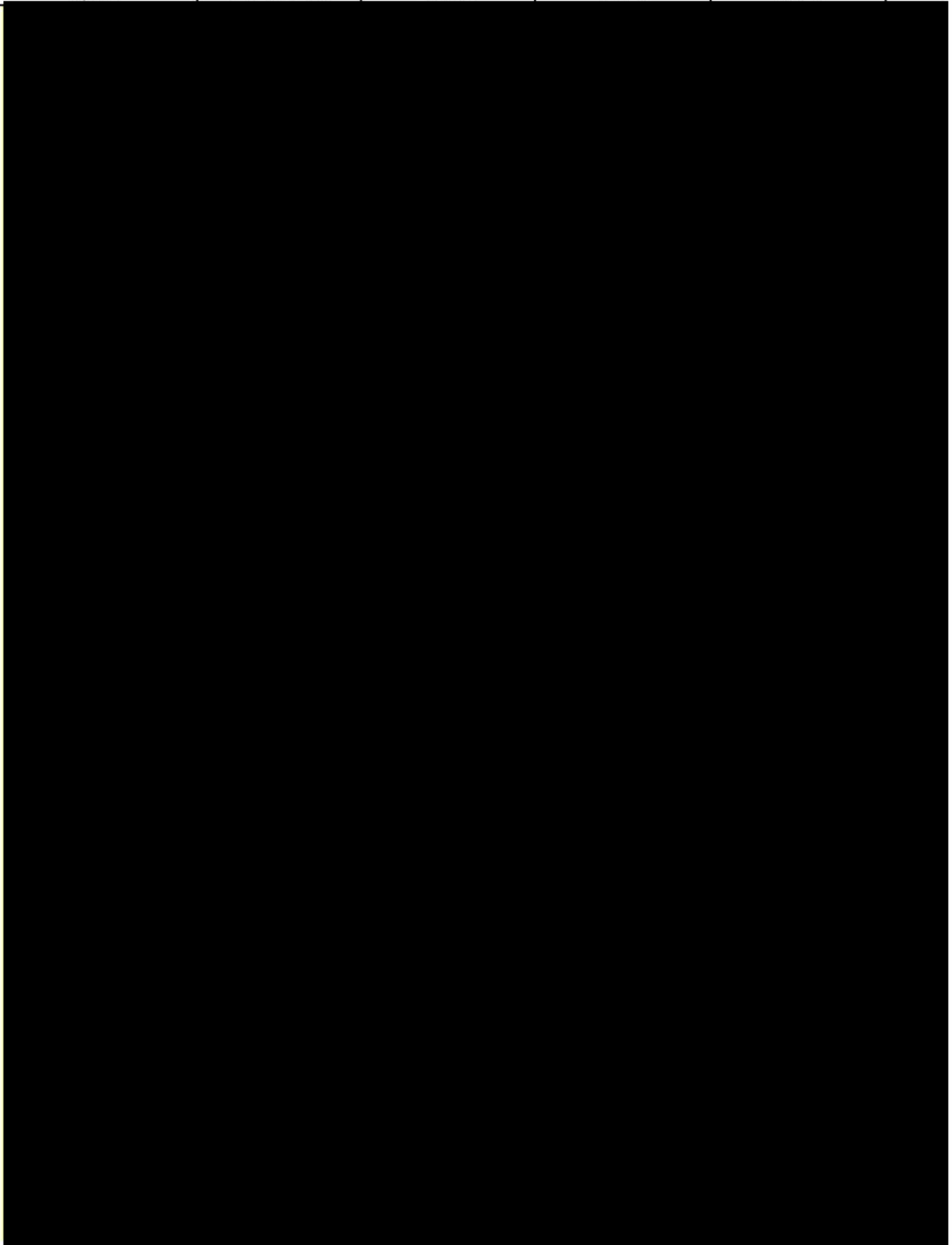
Inflow from Net Settled Options

**Other Expense total****% growth****Total****% growth**

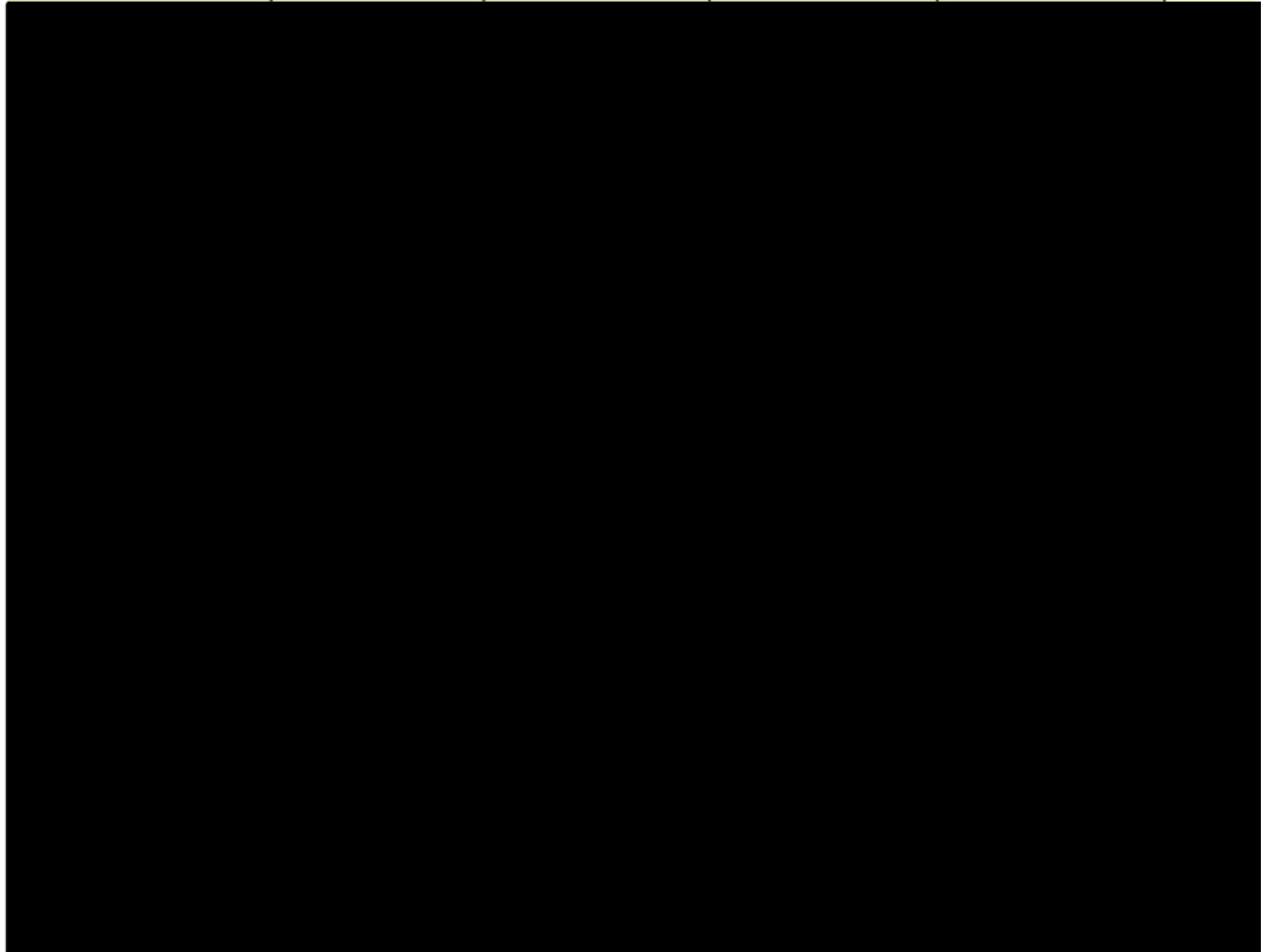
Other Supply Introduction (treated as already distributed prior to current year)

	QTD	QTD	QTD
	Q1-19	Q2-19	Q3'19
<div> <div></div> <div>Coil Scheduled Payments</div> <div></div> <div>Other Options</div> <div>Total Other Supply</div> <div>% growth</div> <div>Total Ripple + Coil/</div> </div>			
<div> <div>Supply Summary</div> <div>Sales</div> <div>Xpring / BD</div> <div>ODL</div> <div>Other</div> <div>Options</div> <div>Total</div> </div>			
<div> <div>Inflation</div> <div>Total XRP</div> <div>Ripple Holdings</div> <div>Circulation</div> <div>Change in Circulation</div> <div>Inflation Rate</div> </div>			

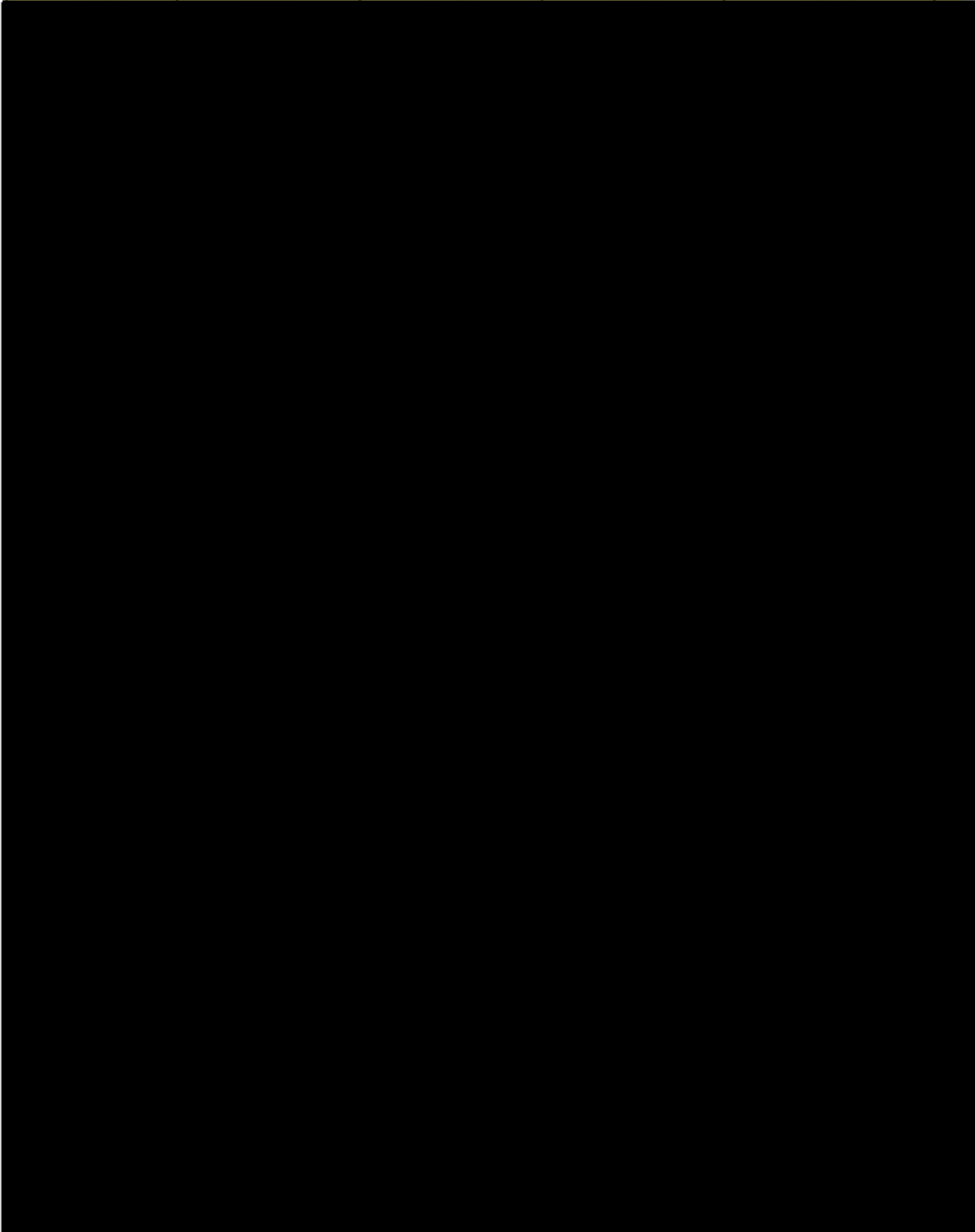
<u>QTD</u>	<u>YTD</u>	<u>MTD</u>		
Q4'19	FY'19 Total	01-20	02-20	03-20



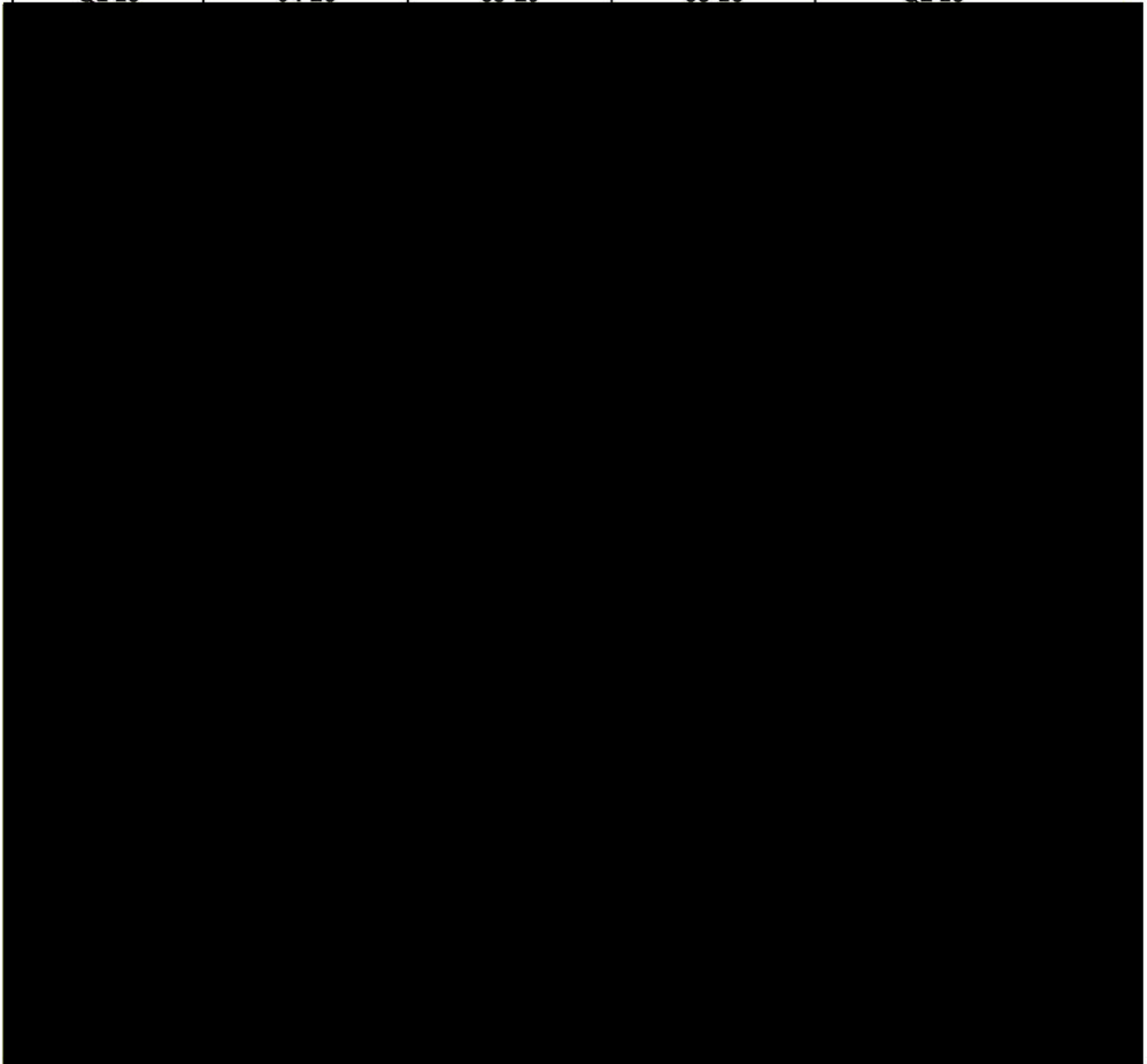
QTD	YTD	MTD		
Q4'19	FY'19 Total	01-20	02-20	03-20



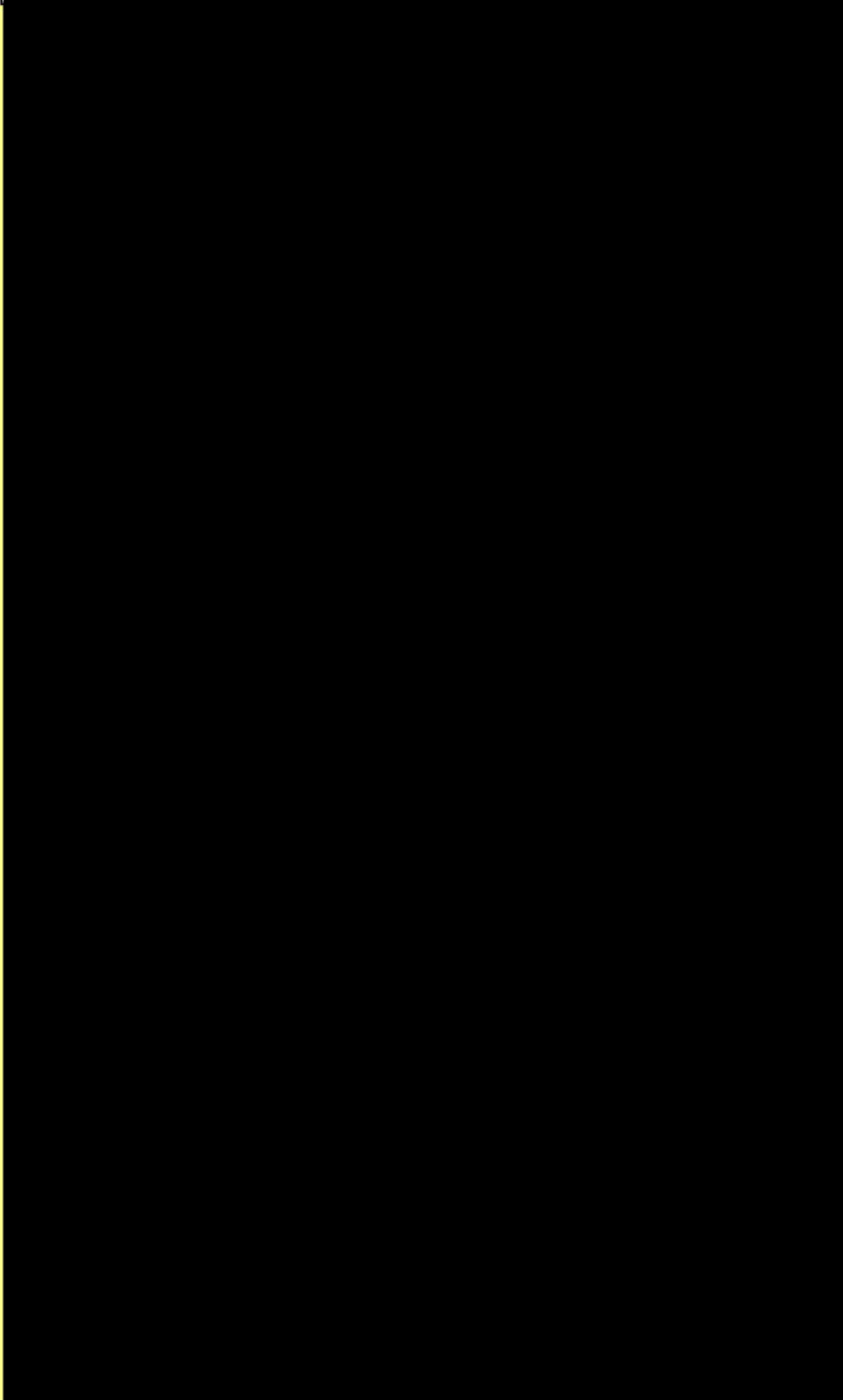
<u>QTD</u>	<u>MTD</u>			<u>QTD</u>
Q1'20	04-20	05-20	06-20	Q2'20



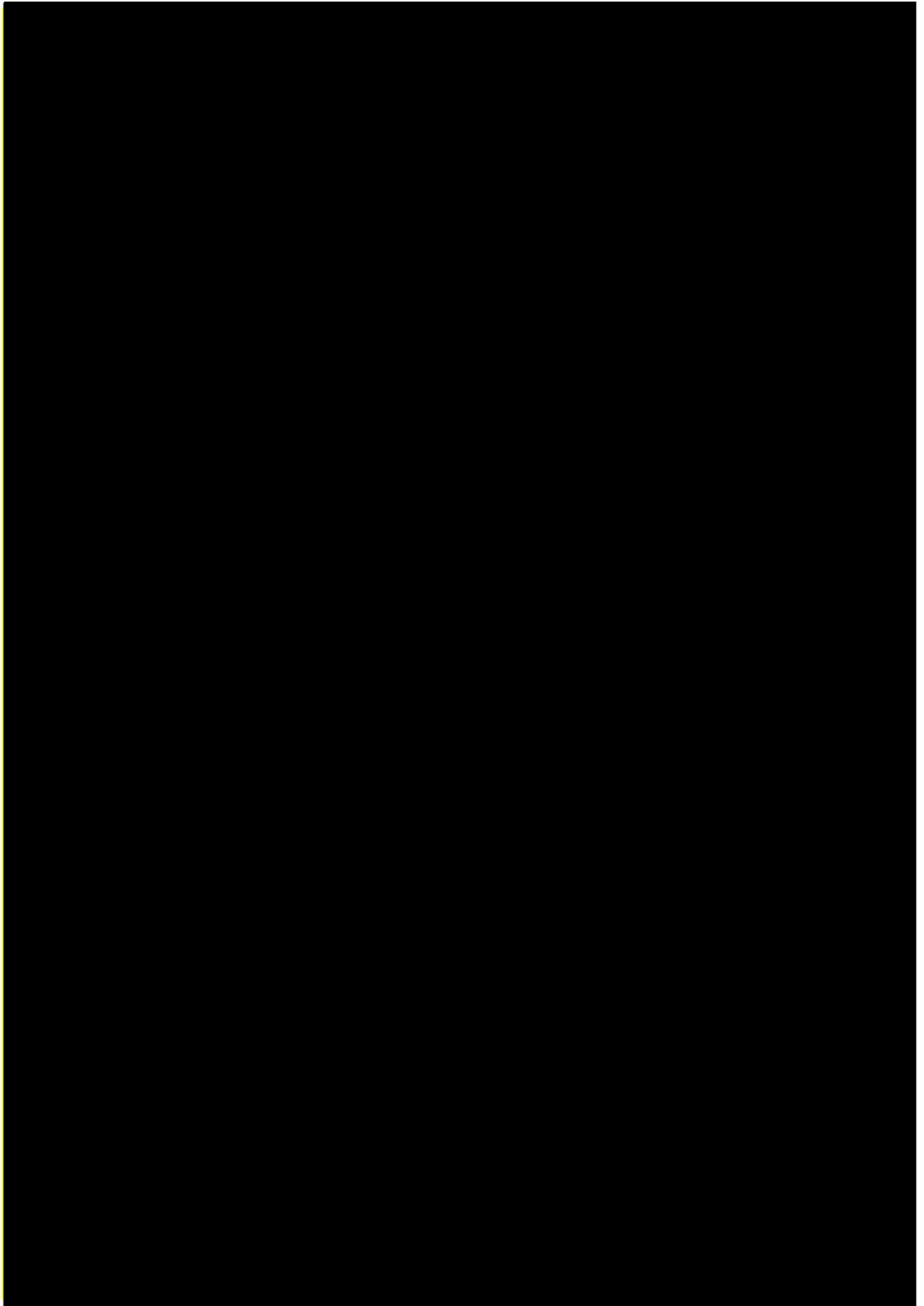
QTD	MTD			QTD
Q1'20	04-20	05-20	06-20	Q2'20

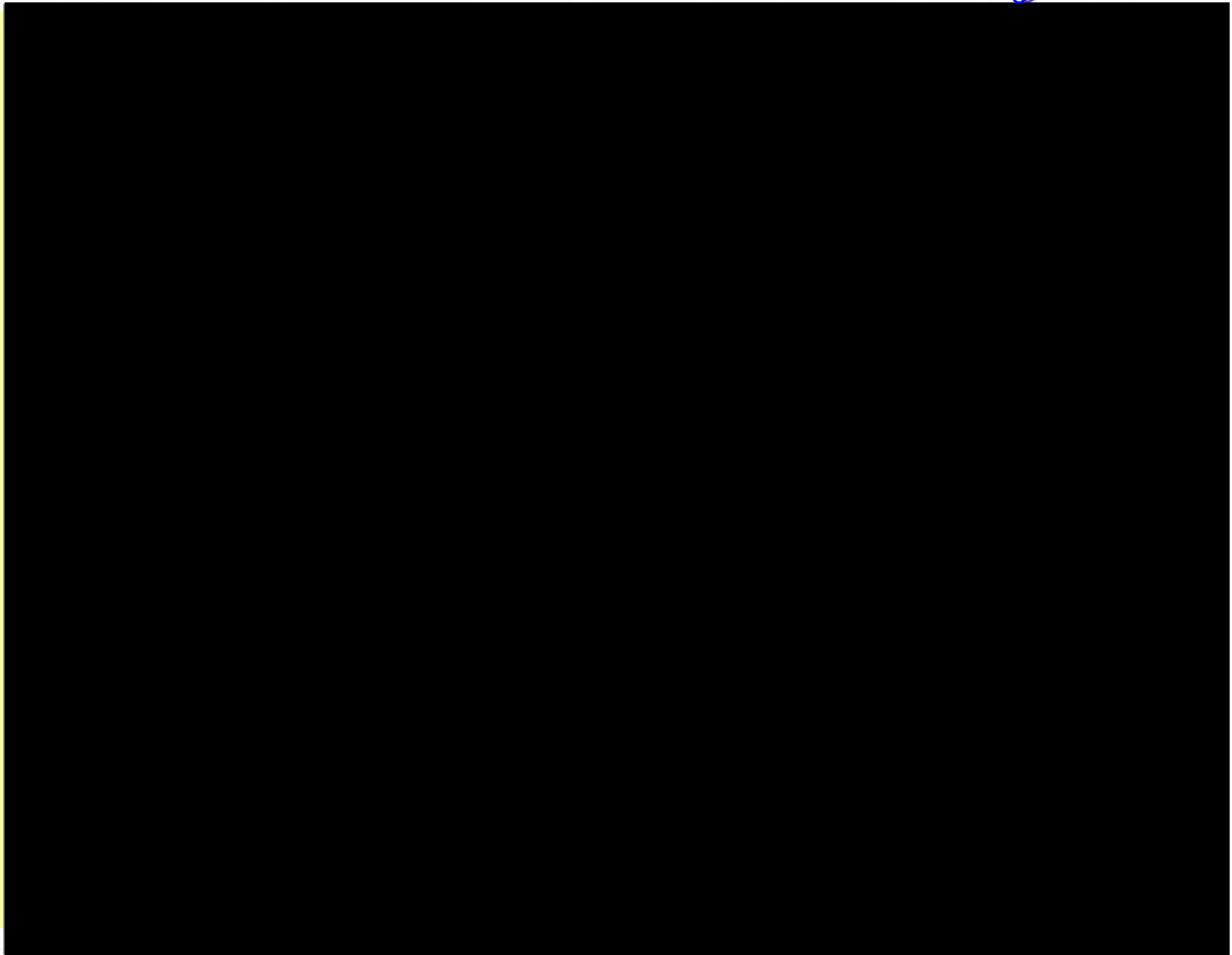


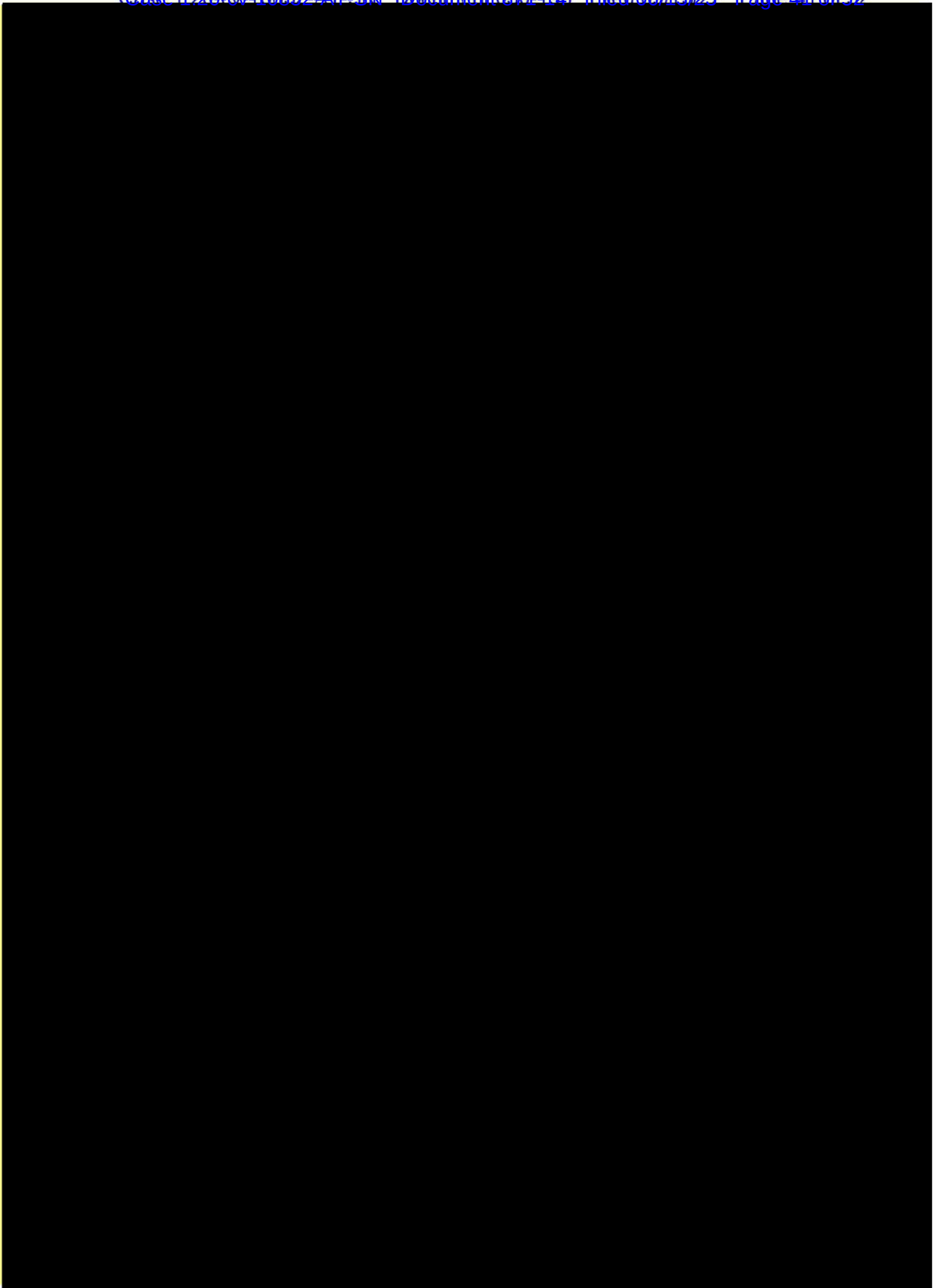
<u>MTD</u>		<u>QTD</u>	<u>YTD</u>
07-20	08-20	Q3'20	YTD Total

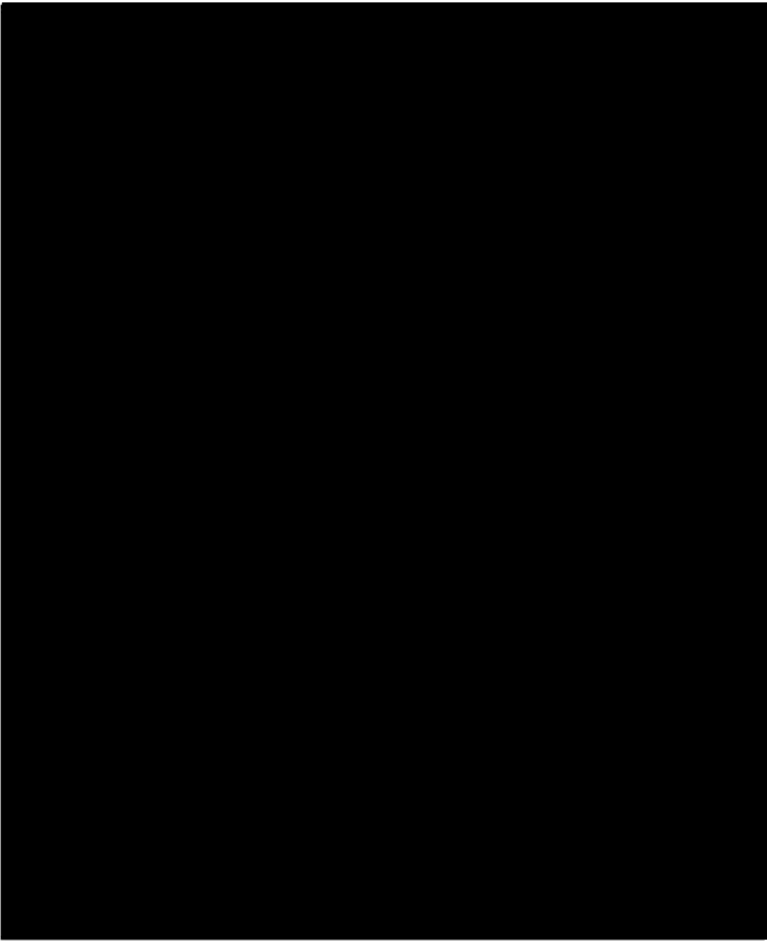


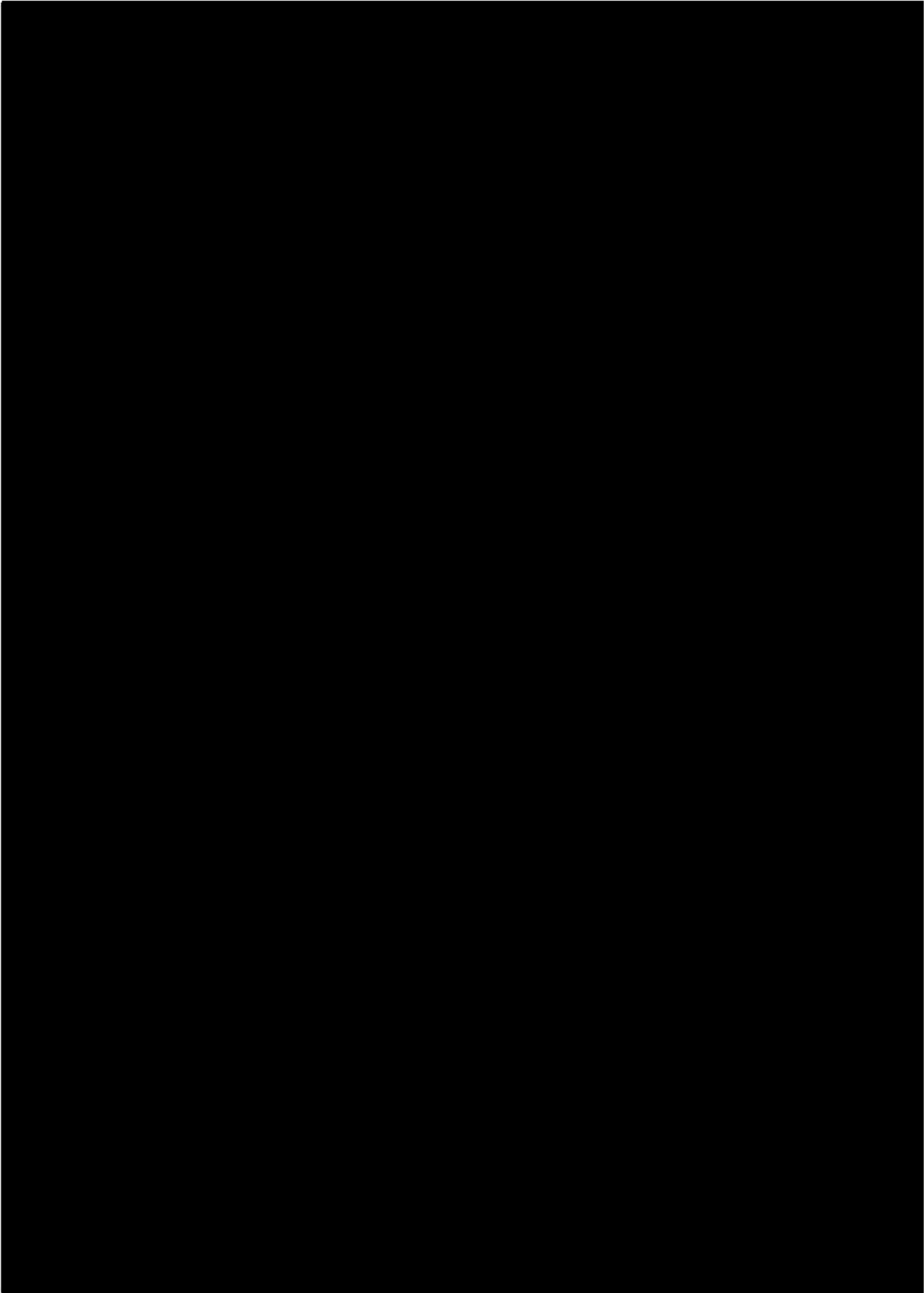
<u>MTD</u>	<u>MTD</u>	<u>QTD</u>	<u>YTD</u>
07-20	08-20	Q3'20	YTD Total





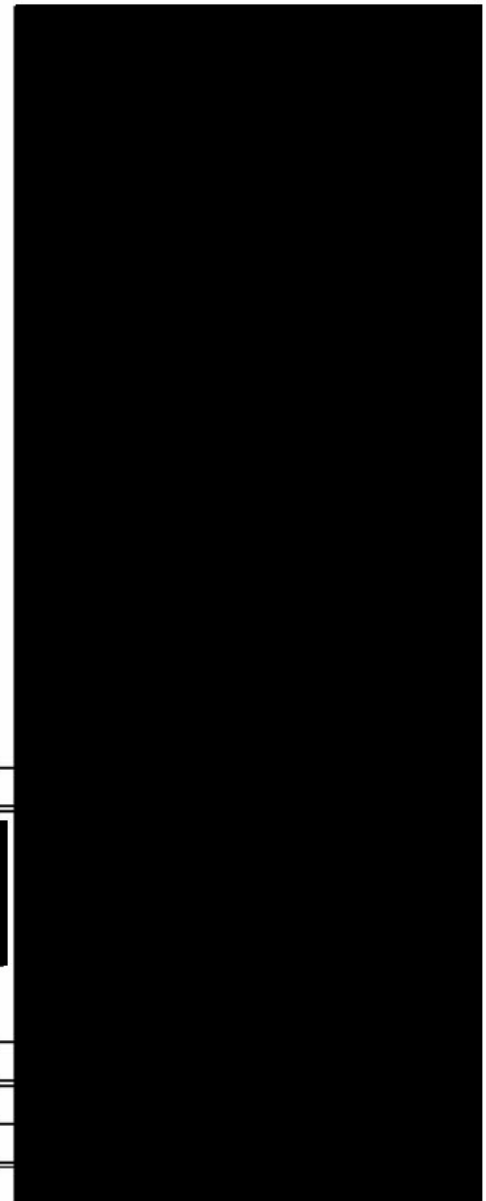




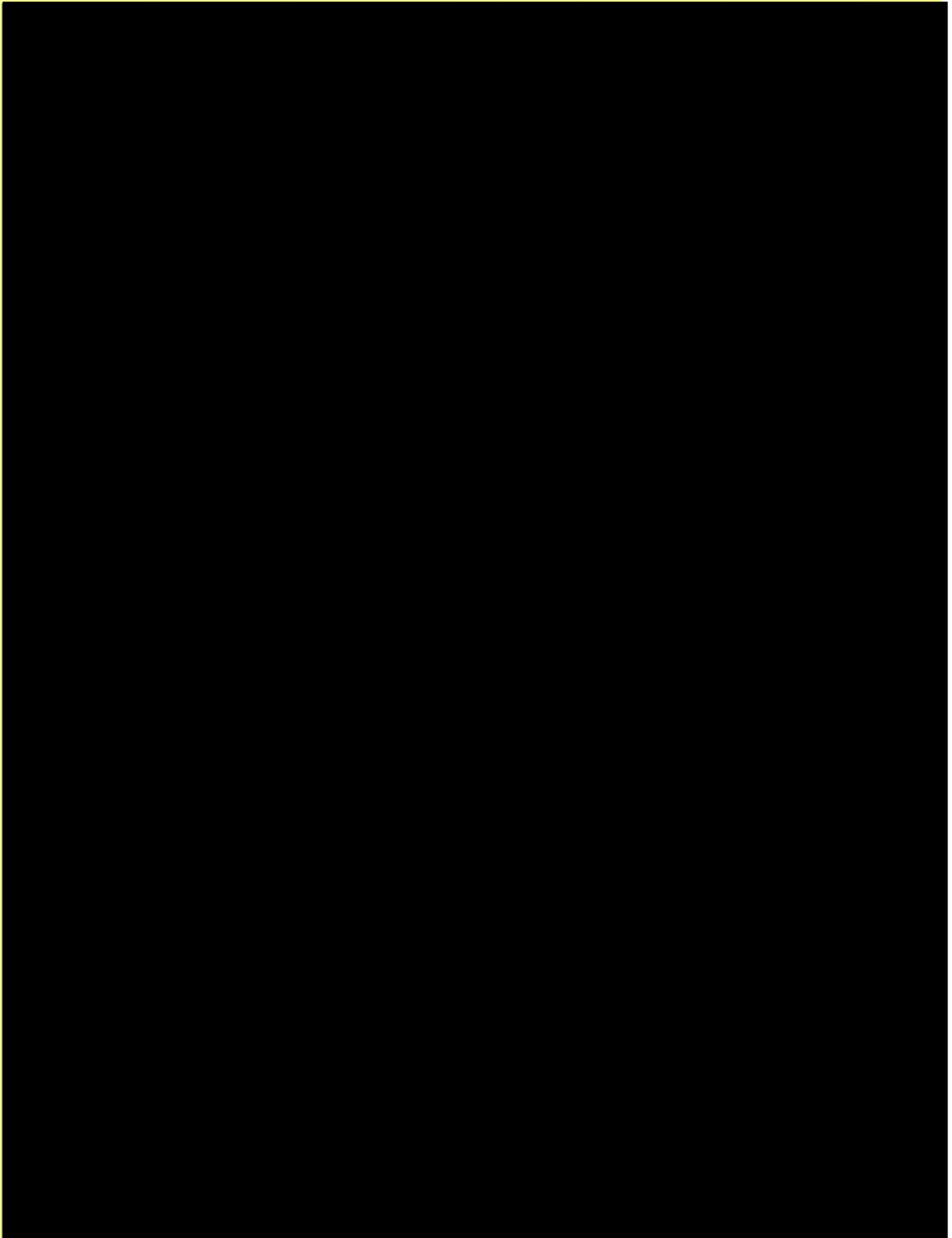


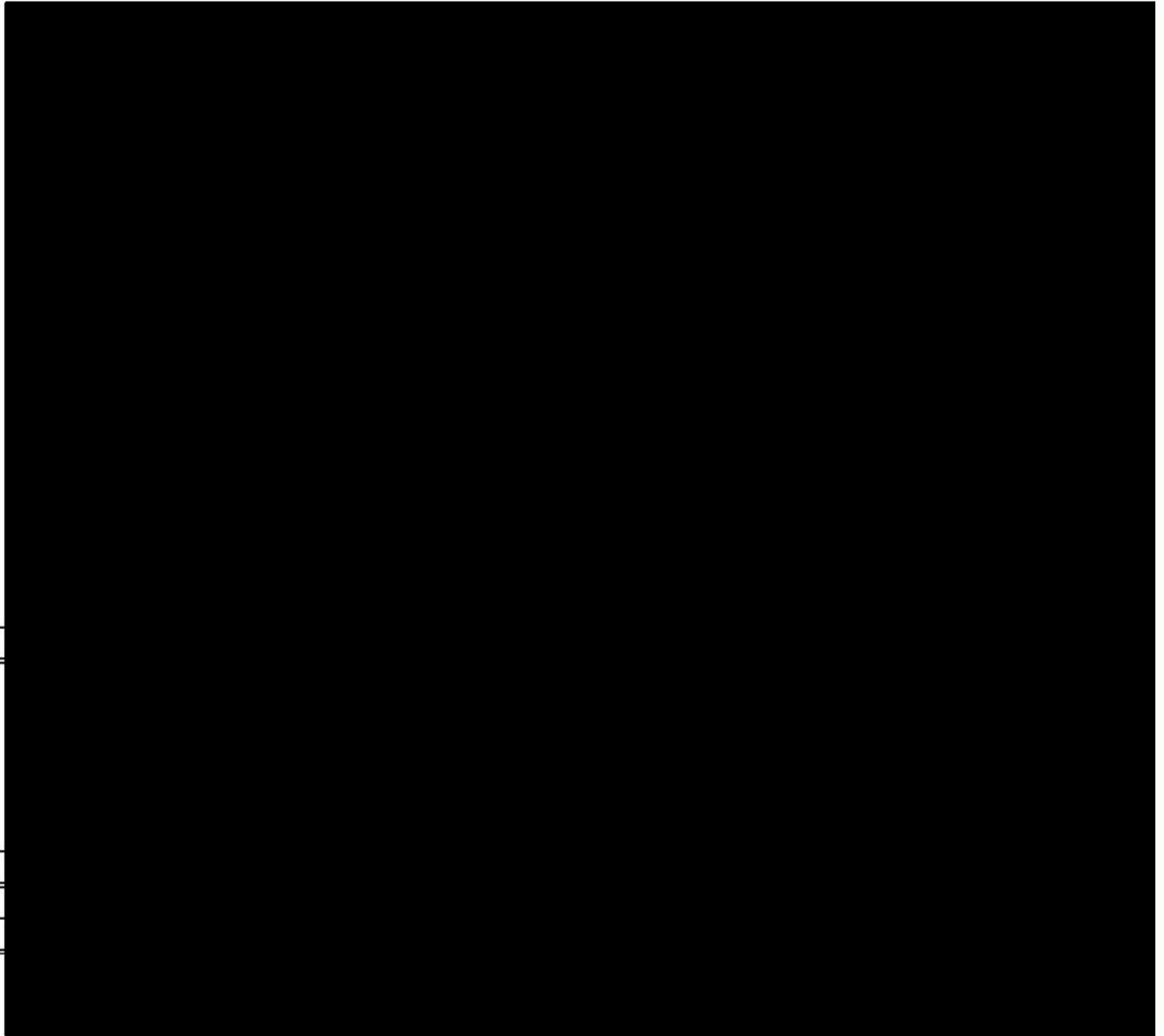
Name	Use of funds	Q1	Q2
		QTD Q1'19	QTD Q2'19
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	Sales		
[REDACTED]	Sales		
[REDACTED]	Sales		
[REDACTED]	Sales		
[REDACTED]	Sales		
[REDACTED]	Sales		
[REDACTED]	Sales		
[REDACTED]	Sales		
[REDACTED]	XRP-O		
[REDACTED]	XRP-O		
GSR	XRP Purchase		
GSR	Programmatic		
[REDACTED]	Programmatic		
[REDACTED]	Programmatic		
Coil	Coil Development Fund		
[REDACTED]	[REDACTED] Development Fund		
[REDACTED]	[REDACTED] Incentive		
[REDACTED]	Investment		
[REDACTED]	Investment		
[REDACTED]	Investment		
[REDACTED]	Investment		
[REDACTED]	Investment		
[REDACTED]	MM Lease		
GSR	MM Lease		
Other	MM Lease		
Moneygram	MGI - Volume incentive		
Moneygram	MGI - Fx rebate		
Moneygram	MGI - Bonus		
GSR	MM Fees		
[REDACTED]	MM Fees		
Other	MM Fees		
[REDACTED]	Incentive		
Bittrex	Incentive		
[REDACTED]	Incentive		
[REDACTED]	Incentive		
[REDACTED]	Incentive		
[REDACTED]	Fx rebate		
[REDACTED]	Fx rebate		
Other	Fx rebate		
[REDACTED]	Adoption marketing		
[REDACTED]	Adoption marketing		

Other	Adoption marketing
Other	ODL Lease
Employee	Employee
Other	Founder
[REDACTED]	Other
Custody	Other
[REDACTED]	Other
	Other
Lease	Other
Contractor	Other
Other	Other
[REDACTED]	Donations
	Donations
	Donations
	Donations
	Donations
Other	Donations
Inflow from Options	Other Options
Subtotal	
[REDACTED]	[REDACTED]
	Other Options
Subtotal	
Grand Total	

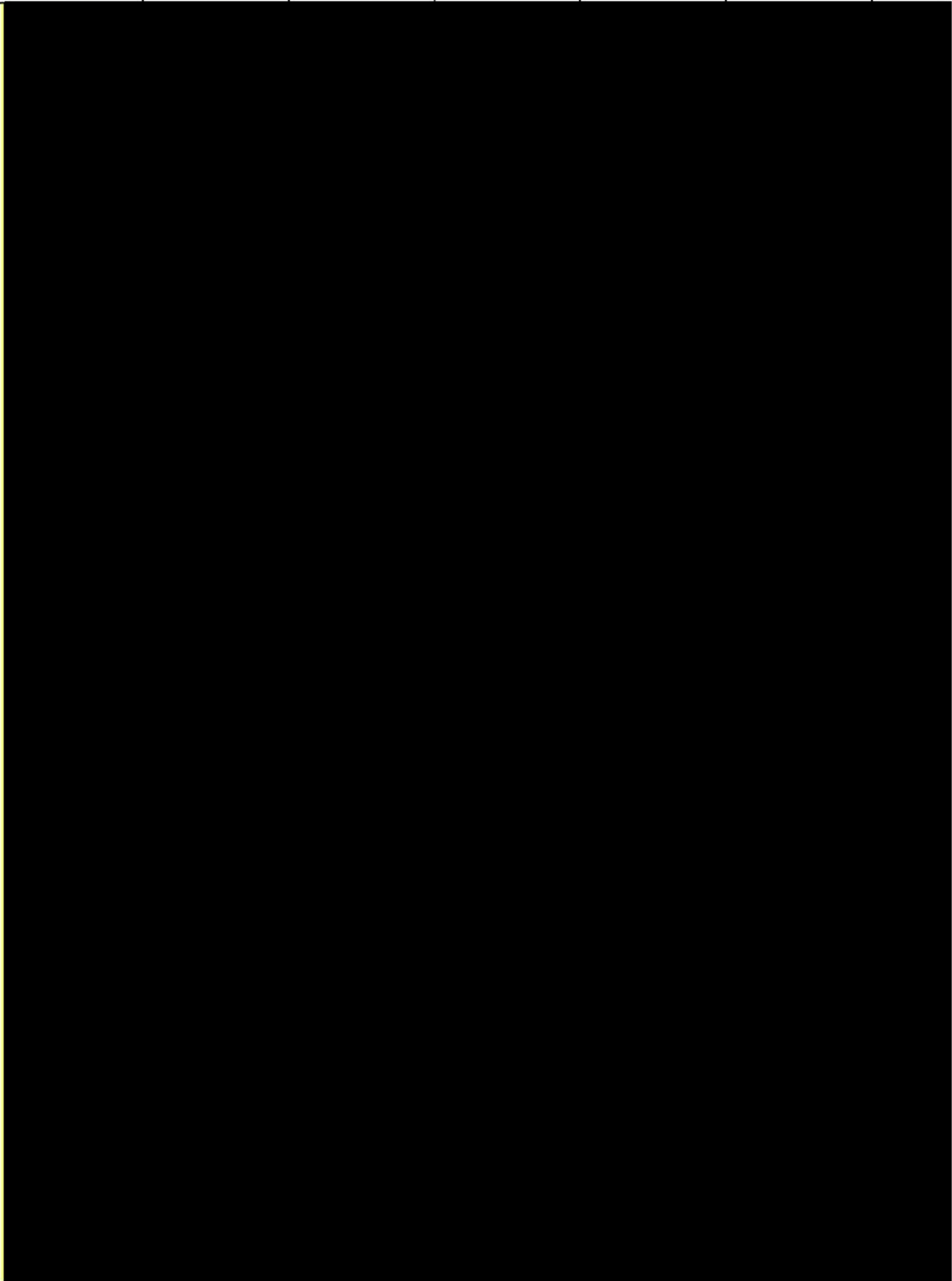


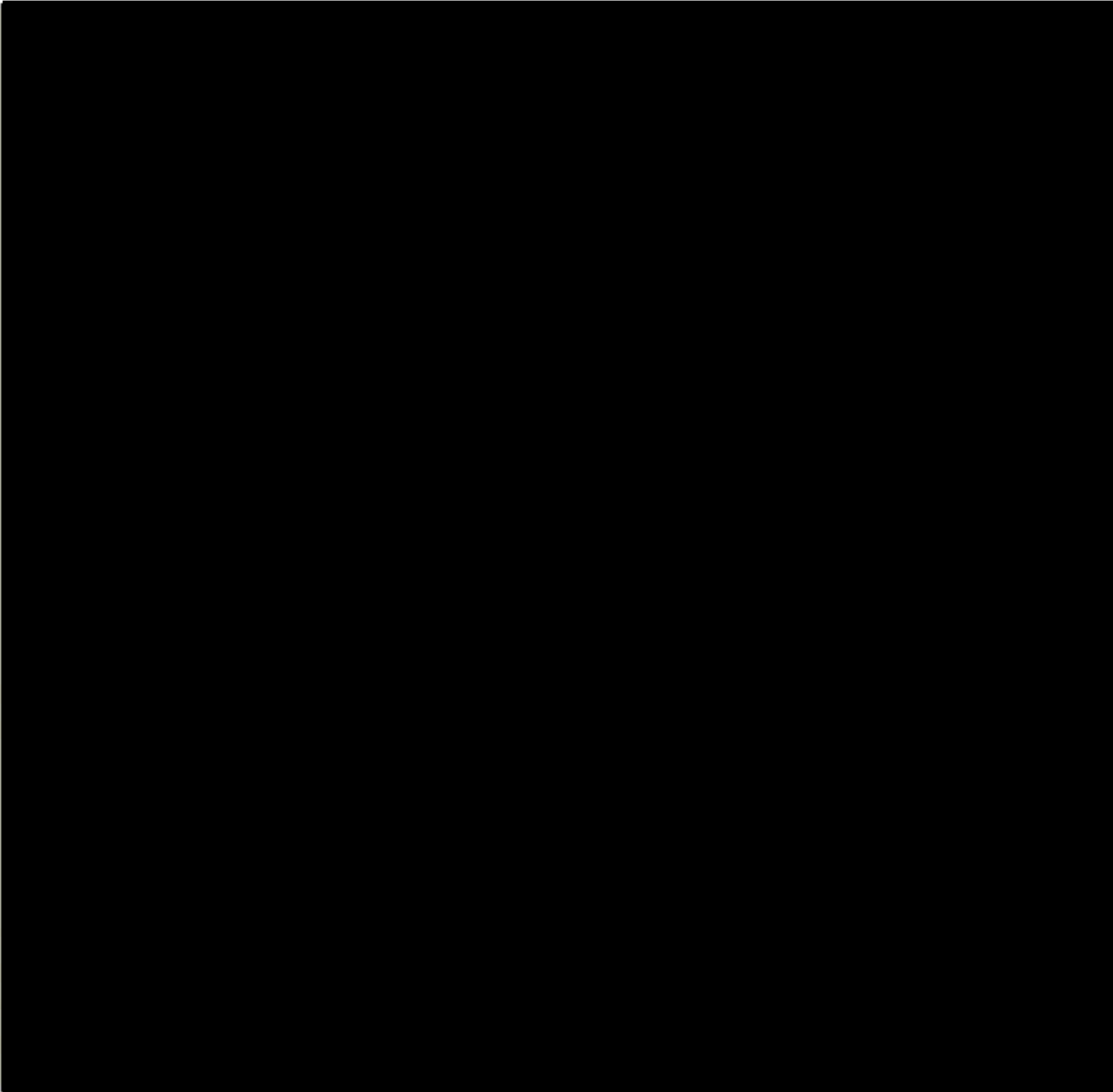
Q3	Q4	2019	1	2	3
<u>QTD</u>	<u>QTD</u>	<u>YTD</u>	<u>MTD</u>		
Q3'19	Q4'19	FY'19 Total	01-20	02-20	03-20



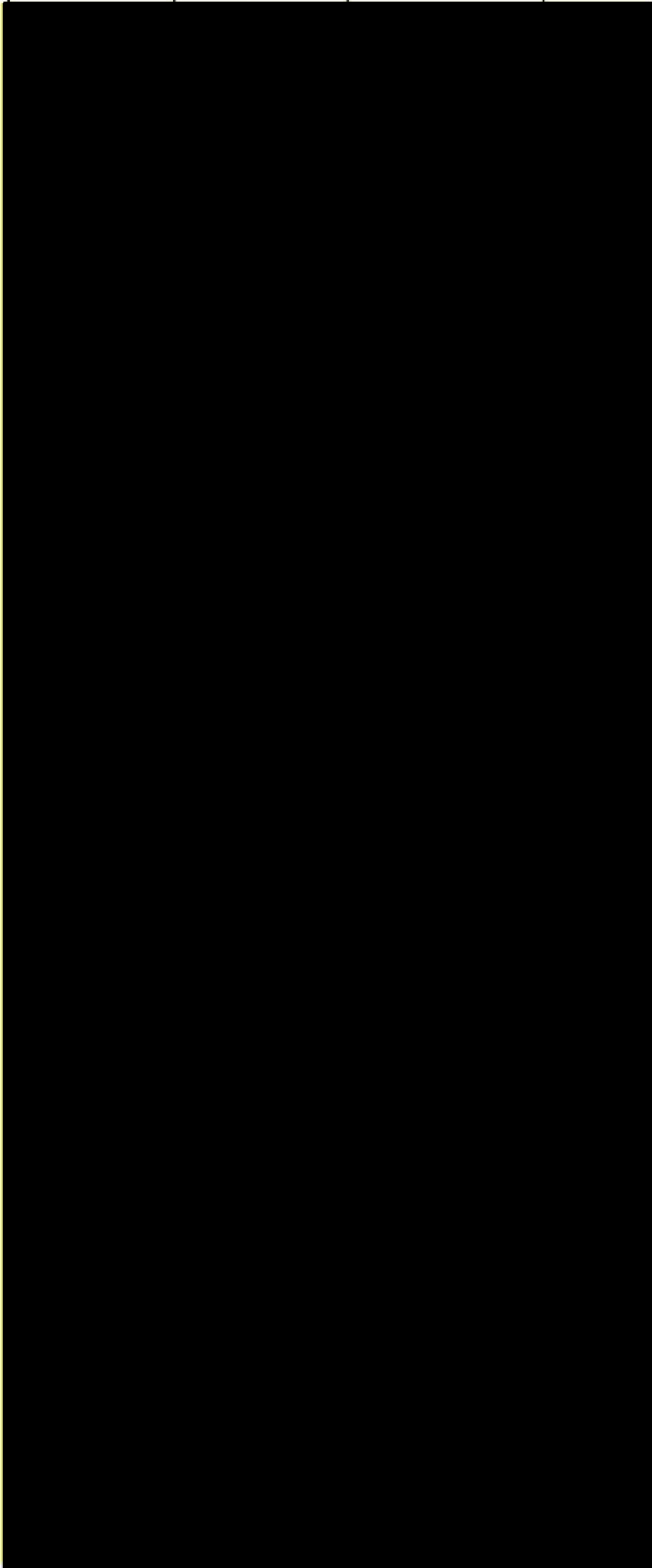


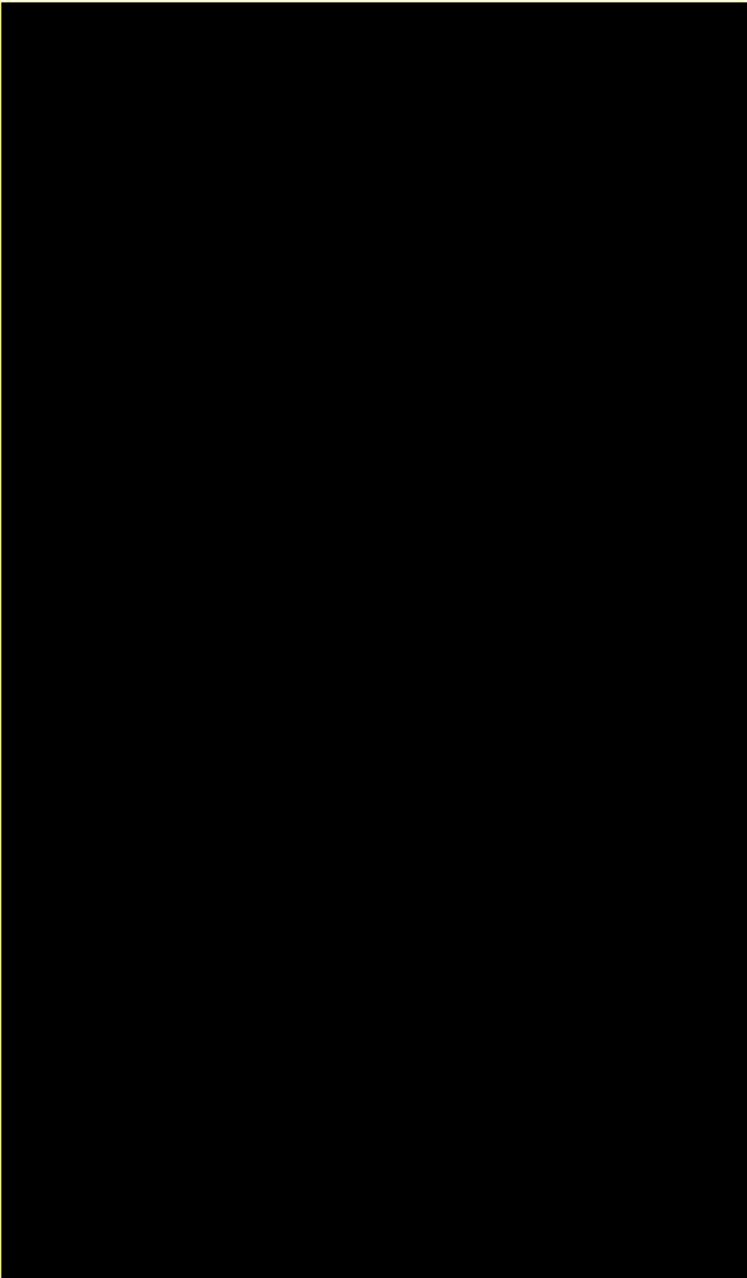
Q1	4	5	6	Q2	7
<u>QTD</u>	<u>MTD</u>			<u>QTD</u>	<u>M1</u>
Q1'20	04-20	05-20	06-20	Q2'20	07-20





8	Q3	2020
<u>ID</u>	<u>QTD</u>	<u>YTD</u>
08-20	Q3'20	FY'20 Total





**Report:** Individual distributions for the current month

Date	Name	Use of Funds	Amount
8/1/2020			
8/9/2020		XRP-O	
8/5/2020		Investment	
8/8/2020	Other	MM Lease	
8/9/2020		XRP-O	
8/5/2020	Moneygram	MGI - Volume incentive	
8/6/2020		Fx rebate	
8/3/2020	Moneygram	MGI - Volume incentive	
8/6/2020		Incentive	
8/3/2020		Fx rebate	
8/6/2020		Other	
8/6/2020	Other	Adoption marketing	
8/5/2020	Moneygram	MGI - Fx rebate	
8/3/2020	Moneygram	MGI - Fx rebate	
8/6/2020	Other	Fx rebate	
8/1/2020		Fx rebate	
8/5/2020	Other	Fx rebate	
8/6/2020	Other	Other	
8/4/2020		Investment	
8/6/2020		Investment	
8/7/2020		Donations	
8/7/2020	Other	Other	
8/6/2020	Employee	Employee	
8/1/2020	Inflow from Options	Other Options	
8/6/2020	GSR	XRP Purchase	
		Total	